

Cost Items Requiring Prior Approval

When applying for federal funds, it is important to be aware that certain items of cost require "prior approval" from the funding Agency. The Office of Management and Budget (OMB) Cost Principles define where prior approvals are required before recipients can pay for specific items. The cost principles that apply to Tribal governments are found in OMB Circular A-87, which also covers State and local governments. Region 10 considers prior approval as granted if approval was provided in writing by the appropriate Project Officer.

A-87 requires specific "prior approval" by the Federal agency for the following items:

- Advisory Council costs [A-87, Attachment B, #3]
- Audit Services - certain types of audits [A-87, Attachment B, #5]
- Equipment (items costing more than \$5,000) [A-87, Attachment B, #19]
- Insurance and indemnification - certain situations [A-87, Attachment B, #25, specifically sections 25b, 25c, and 25g]
- Membership in Civic, Community, and Social Organizations [A-87, Attachment B, #30d]
- Pre-award costs [A-87, Attachment B, #32]
- Proposal Costs [A-87, Attachment B, #34]
- Rearrangement/Alteration of Facilities [A-87, Attachment B, #36]
- Travel costs of officials whose costs are normally unallowable due to "general cost of government rule," when specifically related to the grant [A-87, Attachment B, #42 as related to #23]. *This section applies to Tribal Council Member Travel.*